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INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA - UAW

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October 20, 2005

TO: Members of the House Insurance Committee

FROM: Nadine Nosal, Legislative Coordinator

SUBJECT: Health Savings Account Plans for State Employees  
House Bill No. 4705

The International Union, UAW, represents over 440,000 active and retired members and their families in both the private and public sectors throughout Michigan. We represent approximately 18,000 active and 5,000 retired members in UAW Local 6000 which is made up of the Administrative Support and Human Services units of State government.

The UAW opposes House Bill No. 4705 for the following two reasons:

--The bill is unnecessary. Health savings accounts are already allowed under federal law and employers can utilize them if they so choose without any additional legislation needed by the states (as stated in Section 1 (2) of this bill).

--Secondly, the Michigan Constitution clearly separates the role and powers of the Legislature (Article IV) from that of the State Civil Service Commission (Article XI). Therefore any bill, such as House Bill No. 4705, passed by the Legislature is not binding on this commission. Should the State Civil Service Commission choose to offer a health savings account plan they could do so now for their non-unionized employees, without this or any other legislation being necessary. For those employees who belong to a union, this would be an appropriate subject of collective bargaining.

For these reasons, House Bill 4705 does nothing for the citizens of Michigan so the UAW is asking you to vote "no" on this bill. Thank you.

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